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5 **UNITED STATES BANKRUPTCY COURT**
 6 **DISTRICT OF NEVADA**

7 In re:
 8 **USA COMMERCIAL MORTGAGE COMPANY,**
 9 Debtor.

Case Nos.:
 BK-S-06-10725-LBR
 BK-S-06-10726-LBR
 BK-S-06-10727-LBR
 BK-S-06-10728-LBR
 BK-S-06-10729-LBR

10 In re:
 11 **USA CAPITAL REALTY ADVISORS, LLC,**
 12 Debtor.

JOINTLY ADMINISTERED
 Chapter 11 Cases

13 In re:
 14 **USA CAPITAL DIVERSIFIED TRUST DEED FUND,**
 15 LLC,
 16 Debtor.

Judge Linda B. Riegle

17 In re:
 18 **USA CAPITAL FIRST TRUST DEED FUND, LLC,**
 19 Debtor.

20 In re:
 21 **USA SECURITIES, LLC,**
 22 Debtor.

23 Affects:
 All Debtors
 USA Commercial Mortgage Company
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC
 USA Securities, LLC

Adversary No. 08-01125-lbr

NOTICE OF HEARING ON
APPLICATION TO
COMPROMISE AND SETTLE
CONTROVERSIES WITH
ANTHONY MONACO, SUSAN
K. MONACO, AND MONACO
DIVERSIFIED CORPORATION

24 USACM LIQUIDATING TRUST,
 25 Plaintiff,

Hearing Date: June 15, 2010

26 v.
 27 EAGLE RANCH, LLC, EAGLE RANCH
 28 RESIDENTIAL, LLC, WILLOWBROOK, LLC,
 29 RAVENSWOOD APPLEY VALLEY, LLC,
 30 BRENTWOOD 128, LLC, ANTHONY MONACO,
 31 SUSAN MONACO, AND MONACO DIVERSIFIED
 32 CORPORATION et al.

Hearing Time: 9:30 a.m.

Defendants.

1 **NOTICE IS HEREBY GIVEN** that an Application to Compromise and Settle
 2 Controversies with Anthony Monaco, Susan K. Monaco, and Monaco Diversified Corporation
 3 (the “Application to Compromise”) was filed on May 21, 2010, by the USACM Liquidating
 4 Trust. The Application to Compromise seeks entry of an order approving the proposed
 5 settlement between the USACM Liquidating Trust (the “USACM Trust”), Anthony Monaco,
 6 Susan K. Monaco, and Monaco Diversified Corporation (the “Monaco Defendants”).

7 Following extensive arms-length negotiations the USACM Trust and the Monaco
 8 Defendants reached a tentative agreement to resolve the Pending Litigation subject to execution
 9 of a mutually-agreeable settlement agreement to be approved by the Bankruptcy Court. The
 10 material terms of the Proposed Settlement are summarized as follows¹:

- 11 1. Anthony Monaco, Susan Monaco and MDC, jointly and severally,
 unconditionally agree to a judgment against all the Defendants in the amount of
 Five Million Five Hundred Thousand Dollars (\$5,500,000) in accordance with the
 terms and conditions contained herein.
- 12 2. The Defendants shall deliver to the USACM Trust a fully executed Agreed
 Judgment in the amount of Five Million Five Hundred Thousand Dollars
 (\$5,500,000) (the “Agreed Judgment”).
- 13 3. Defendants expressly authorize the USACM Trust to file the Agreed Judgment
 with the Bankruptcy Court or any other court of competent jurisdiction to
 consider such matters, and upon the Bankruptcy Court’s approval of the terms of
 this Settlement Agreement, Defendants agree to take any and all necessary steps
 to enter the judgment in the United States District Court, District of Nevada in the
 matter Case No. 2:09-CV-01947-RCJ-PAL currently before Judge Jones (the
 “District Court”).
- 14 4. The Parties will enter the judgment upon the Bankruptcy Court’s granting, orally
 and/or in a written order, whichever comes first, the Rule 9019 Motion approving
 this Agreement.
- 15 5. Subject to and upon entry of the Agreed Judgment as set forth in this Agreement,
 and in no event before the entry of the Agreed Judgment, the Plaintiff fully

23 1 The following is solely a summary of the terms of the Proposed Settlement, and in no way is intended as an
 24 amendment, modification, or supplementation of the Proposed Settlement terms. The terms of the written
 25 settlement agreement between the Parties shall prevail in the event of any conflict with this summary.

1 releases and discharges the Monaco Released Parties from any and all liability
2 with respect to the USACM Trust Released Claims.

3 6. Upon entry of the Agreed Judgment as set forth in this Agreement, the
4 Defendants, on behalf of themselves and the Monaco Released Parties, fully
5 release and discharge the USACM Trust Released Parties from any and all
6 liability with respect to the Monaco Released Claims.

7 **NOTICE IS FURTHER GIVEN** that if you do not want the court to grant the relief
8 sought in the Motion, or if you want the court to consider your views on the Motion, then you
9 must file an opposition with the court, and serve a copy on the person making the Motion **no**
10 **later than 14** days preceding the hearing date for the Application to Compromise, unless an
11 exception applies (see Local Rule 9014(d)(3)). The opposition must state your position, set forth
12 all relevant facts and legal authority, and be supported by affidavits or declarations that conform
13 to Local Rule 9014(c).

14 If you object to the relief requested in the Motion, you **must** file a **WRITTEN** response
15 to the Motion with the Court. You **must** also serve your written response on the person who sent
16 you this notice.

17 If you do not file a written response with the Court, or if you do not serve your written
18 response on the person who sent you this notice, then:

19

- 20 • The Court may *refuse to allow you to speak* at the scheduled hearing; and
- 21 • The Court may *rule against you* without formally calling the matter at the hearing.

22 **NOTICE IS FURTHER GIVEN** that the hearing on the said Motion will be held before
23 the Honorable Linda B. Riegle, United States Bankruptcy Judge, in the Foley Federal Building,
24 300 Las Vegas Boulevard South, Third Floor, Bankruptcy Courtroom No. 1, Las Vegas, Nevada
25 89101 on **Tuesday, June 15, 2010, at 9:30 a.m.**

1 Dated: May 21, 2010

2 **DIAMOND MCCARTHY LLP**

3
4 By: /s/ Michael J. Yoder
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12 *USACM Liquidating Trust*

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21 *Counsel for USACM Liquidating Trust*

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the law firm of DIAMOND MCCARTHY LLP and that on the 21st day of May 2010, I served a true and correct copy of the NOTICE OF HEARING (a) by electronic transmission to (i) all parties on the USACM Post-Effective Date Service List Dated March 31, 2009 and (ii) counsel for the Monaco Defendant, Harold Gewerter at Harold@gewerterlaw.com

/s/ Catherine A. Burrow
Catherine A. Burrow, CLA
Legal Assistant